



USAID | PHILIPPINES

ECONOMIC DEVELOPMENT AND GOVERNANCE

TRANSPARENT AND ACCOUNTABLE GOVERNANCE (TAG 2) PROJECT

GOAL

Promote transparency and accountability in governance and help eliminate or significantly reduce corruption in the Philippines.

OBJECTIVES

The **TAG 2 Project** is being implemented by The Asia Foundation with funding from USAID. It has the following objectives:

- At the national level, build awareness of the cost of corruption and generate public demand for anti-corruption initiatives;
- In Mindanao, improve transparency and accountability in city government transactions;
- At the provincial and municipal government levels in Mindanao, improve local government operations, planning and budgeting, resource mobilization, and organizational development.

PROGRAM MANAGEMENT

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BACKGROUND

Corruption continues to be a major challenge to development and progress in the Philippines. Corruption constrains competition in markets and limits government capacity to raise revenue and invest in human resources and infrastructure. It also aggravates inefficiencies in public resource allocation, undermines public confidence in government, and threatens the Philippines' ability to secure both local and foreign investment.

TAF implements the **TAG 2 Project** with funding support from USAID, and is based on the twin goals of promoting transparency and accountability in governance and eliminating or significantly reducing opportunities for corruption at various levels. TAG activities are implemented at both national and local levels.

At the national level, TAG activities focused on building awareness about the cost of corruption, increasing transparency and accountability in government transactions, and promoting private sector and civil society collaboration in support of good governance. In so doing, the project works to build a strong constituency for reform.

In selected cities in Mindanao, with private sector and civil society engagement, the project is assisting Filipino partners to improve transparency and accountability in government transactions through procedural reforms. TAG 2 focuses on simplifying operational procedures, reducing discretionary authorities, and increasing the availability of information available to the citizens. The project also supports capacity building programs to help technical staff to support the reform process.

At the provincial and municipal government levels, particularly in the ARMM and nearby conflict-affected areas, TAG 2 provides technical assistance to improve local government operations, planning and budgeting, resource mobilization, and organizational development. It also supports capacity building activities, both for civil society organizations and local resource institutions, to increase their ability to be effective partners of local governments.

TAG activities build on recent developments that support the push for anti-corruption and good governance reforms. In late 2002, for example, the Philippines enacted a landmark procurement law after four years of advocacy by Philippine civil society and the private sector. The law creates new opportunities for more pro-active civil society involvement in anti-corruption activities at all levels of government. A new Ombudsman, who is reaching out to civil society in the effort to fight corruption, was appointed. The participation of the private sector and civil society in revenue enhancement programs of the government is increasing. Finally, new local governments formed after the May 2004 elections afford an opportunity to institutionalize reforms within the three-year election cycle in the Philippines.



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ACHIEVEMENTS

TAG accomplishments include the ff:

- With TAG support, the selection of the new Ombudsman (Ombudsman Simeon Marcelo) became an open and publicized process. This support has also led to the greater participation of civil society in the Ombudsman's campaign against corruption.
- TAG facilitated and ensured effective stakeholder input in the formulation of the Implementing Rules and Regulations of the New Procurement Reform Act.
- TAG has effectively generated greater interest in monitoring the actual implementation of the new procurement law by various stakeholders, including local governments and civil society.
- The Transparency and Accountability Network, a group made up of 21 civil society organizations, helped the Presidential Committee on Effective Governance and the Presidential Anti-Graft Commission to develop anti-corruption agendas for ten government agencies, and advanced legislation on the right to information, anti-money laundering, and restructuring of the internal revenue agency.
- At the local level, counter-corruption was pursued in economically important localities leading to initial but significant improvements in local governance in over 60 conflict-affected municipalities of the Autonomous Region in Muslim Mindanao.

PROJECT ACTIVITIES

TAG 2 has the following project activities:

National Counter Corruption Advocacy

Encouraging public demand for counter corruption reforms -- this includes the annual enterprise survey on corruption, case studies to document the costs of corruption, awards for excellence in investigative journalism, distribution of primers and materials on corruption, and technical assistance to partners like the Transparency and Accountability Network (TAN) and the Mindanao Business Council.

Advocacy in support of the new procurement reform act -- this includes training of trainers to promote a better understanding and a uniform interpretation of the law, awareness building training events, as assessment of LGU compliance to the New Procurement Act, development of simple manuals for LGUs, and the development of indicators for procurement monitoring and evaluation.

Building sustainable anti-corruption mechanisms --interventions comprise logistical and operational support to TAN as they work to become self sustaining, and collaboration with the private sector.

Transparency and Accountability in City Governance

Continuing work in seven pilot cities in Mindanao – this includes technical assistance to the pilot cities (Cotatato, Dapitan, General Santos, Iligan, Samal, Marawi and Surigao), recognition of excellence in public service, and support of private sector advocacy and civil society constituency building. Six additional cities joined the project in 2005, including Panabo, Dipolog, Oroquieta, Butuan, Ozamiz, and Zamboanga.

Training of trainers on counter corruption reforms – includes the diagnosis of city government systems and designing incentives for reform, conduct of public-private consultations, and the implementation of the reforms.

Support to the League of Cities of the Philippines – this includes the provision of technical assistance and the documentation and sharing of best practices.

Improving Governance in Conflict-Affected Municipalities of Mindanao

Direct technical assistance packages to conflict-affected communities – subject areas include resource mobilization and management, participatory development planning and budgeting, human resource development planning, and legislative drafting.

Procurement training – provides training on procurement systems and procedures

Citizen's guide on municipal services – entails the development of flowcharts, written in the local dialect, that illustrate the steps to follow and the documents required to avail of specific municipal services.

Support to the League of Municipalities of the Philippines – this primarily consists of sharing sessions on and documentation of innovative approaches to improving governance in conflict-affected areas.

Strengthening the environment for local governance in Mindanao – This includes work to build the capacities of Moro civil society and media so they can competently cover local governance issues.